



AUG -1 2002

Ms. Dana Katherine Martin
Director
Department of Social Services
P.O. Box 1527
Broadway State Office Building
Jefferson City, MO 65102-1527

Dear Ms. Martin:

I am pleased to inform you that the Centers for Medicare & Medicaid Services (CMS) is approving Missouri's request to amend the Medicaid section 1115 demonstration project #11-W-00122/7, known as "Managed Care Plus (MC+)." This amendment has two purposes. The first purpose is to transition ConnectCare from an inpatient to an outpatient care facility. The second purpose is to enable the St. Louis region to transition its "safety net" system of care for the medically indigent to a viable, self-sustaining model.

Enclosed are revised special terms and conditions that define the nature, character, and extent of anticipated Federal involvement in the project. This award is subject to our receiving your written acceptance of the award and revised special terms and conditions within 30 days of the date of this letter.

Under authority of section 1115(a)(2) of the Social Security Act (the Act), the following expenditures made by Missouri under the demonstration (which are not otherwise included as expenditures under section 1903 of the Act) shall be regarded as expenditures under Missouri's title XIX plan.

3. State-funded expenditures incurred by the St. Louis Regional Disproportionate Share Hospital (DSH) Authority between June 28, 2002, through February 29, 2004, pursuant to an approved operational protocol, and not to exceed 9.89 percent of the Missouri DSH expenditure pursuant to section 1923(f) of the Act, that pay for otherwise uncompensated ambulatory care and further the goal of transitioning the St. Louis health care delivery system for indigents to a viable, self-sustaining model.

We note that this authority expires prior to March 1, 2004, which is the expiration date of authorities granted in the April 29, 1998, Managed Care Plus (MC+) approval letter. Your project officer is Ms. Candice Hall, who may be contacted at (410) 786-4453 or via e-mail at CHall2@cms.hhs.gov. Communications regarding program and administrative matters should be submitted to the project officer at the following address:

Centers for Medicare & Medicaid Services
Center for Medicaid and State Operations
Family and Children's Health Programs Group
Division of Integrated Health Services
7500 Security Boulevard, Mailstop S2-01-16
Baltimore, MD 21244

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We appreciate Missouri's accomplishments in administering MC+ and look forward to continuing to work with you on this project.

Sincerely,

/s/

Thomas A. Scully

Enclosure